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Response to Ameren Illinois Company's Sixth Set of Data Requests to Staff Docket No. 15-0142 Response of Staff Witness Reardon August 18, 2015

ICC Person Responsible: David Rearden

Title: Senior Economist, Policy Division
Business Address: Illinois Commerce Commission

527 East Capitol Avenue Springfield, IL 62701

AIC-ICC 6.01 Please admit that if accepted, Dr. Rearden's position with respect to the Rider T rescission period would result in different rescission periods applicable to customers in the same customer class – GDS-2. (I.e., GDS-2 customers using more than 5,000 therms annually and GDS-2 customer using less than 5,000 therms annually). If your answer is anything other than an unqualified admission please explain.

- Please admit that such a result would likely create administrative inefficiencies or burdens for Ameren Illinois. If your answer is anything other than an unqualified admission please explain.
- Please admit that such a result may create customer confusion associated with customer rescission ability. If your answer is anything other than an unqualified admission please explain.

Response: Staff objects to portions of this data request that call for speculation. Without waiving said objection, Dr. Rearden responds as follows:

Yes, Dr. Rearden agrees that the result of his recommendation would be different applicable rescission periods for customers in the GDS-2 class.

Dr. Rearden agrees that Ameren Illinois may have to expend resources to monitor whether a customer is eligible for a 10-day rescission or not, which could increase costs or burdens to the Company.

Dr. Rearden agrees that customer confusion may be associated with different rescission periods.

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AIC-ICC 6.02 Please provide all quantitative analysis performed by Dr. Rearden in support of the statement that AIC's current Rider T rescission practice "is likely to lead to higher offers to customer" as referenced on page 3, line 49 of his rebuttal testimony. In the alternative, please admit that no such quantitative analysis has been performed.

Response: Dr. Rearden did not perform a quantitative analysis.

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AIC-ICC 6.03 Please admit that Dr. Rearden cannot provide an example of a Rider T customer having rescinded under AIC's current practice based on change in price during the current rescission window. (Please reference page 3, 1l. 45-46 of Dr. Rearden's rebuttal testimony).

Response: Staff objects to this data request to the extent that it seeks information not under Dr. Rearden's direction and control. Without waiving said objection, Dr. Rearden can not provide an example of such a customer.

ICC Person Responsible: David Rearden

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AIC-ICC 6.04 Please provide any quantitative analysis Dr. Rearden has performed on elevated supply costs arising from AIC's current Rider T rescission practice, as referenced on page 3, line 48 of his rebuttal testimony. In the alternative, please admit that no such quantitative analysis has been performed.

Response: Staff objects to this data request to the extent that it misstates Dr. Rearden's rebuttal testimony. Dr. Rearden did not perform a quantitative analysis of elevated supply costs arising from AIC's current Rider T rescission practice.

ICC Person Responsible: David Rearden

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AIC-ICC 6.05 Please provide any quantitative analysis Dr. Rearden has performed demonstrating that AIC's Rider T rescission practices have led to "higher offers to customers" as referenced on page 3, lines 48-49 of his rebuttal testimony. In the alternative, please admit that no such quantitative analysis has been performed.

Response: Staff objects to this Data Request as it has been asked and answered. Please see Staff Response to AIC-ICC 6.02 above.

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**AIC-ICC 6.07** Please see the Question beginning on page 4, line 76 of Dr. Rearden's rebuttal testimony.

O Does Dr. Rearden agree that it may be difficult to determine when a customer is a small commercial customer (as defined by the Illinois Public Utilities Act) and when it is not?

O Does Dr. Rearden agree that a given customer's status as a small commercial customer or not (as defined by the Illinois Public Utilities Act) can be "ambiguous" based on the reasons cited? If he agrees with this statement as applied to some, but not all of the reasons, please explain and differentiate.

Response: Staff objects to this data request as it seeks information under the control of Ameren Illinois and/or to the extent that it seeks a legal opinion. Without waiving said objections, Dr. Rearden responds as follows:

- Dr. Rearden is not sure how difficult it would be for Ameren Illinois to determine whether a customer is a small commercial customer.
- Dr. Rearden agrees that Ameren Illinois may be required to investigate the status of some customers as a small commercial customers more than others.

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**AIC-ICC 6.08** Ignoring market efficiency, please explain whether Dr. Rearden perceives *any* consumer protection benefit in AIC's current Rider T rescission practices. (Please see reference to "the same level of protection" used on page 5, line 108 of Dr. Rearden's rebuttal testimony).

- Please admit that Dr. Rearden's reference to "the same level of protection" as used on page 5, line 108 of his rebuttal testimony implies that there is *some* protection afforded larger Rider T customers as a result of AIC's current rescission practice.
- Does Dr. Rearden believe that utility tariffs should only include features specifically mandated by the legislature? (Please reference page 5, ll. 109-110 of Dr. Rearden's rebuttal testimony). Please explain.

Response: Dr. Rearden agrees that the ten business day rescission offers some level of protection to Rider T customers.

- O Dr. Rearden agrees his rebuttal testimony implies there is some protection afforded larger Rider T customers as a result of AIC's current rescission practice.
- o Utility tariffs are not restricted to features mandated by the legislature.

ICC Person Responsible: David Rearden

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**AIC-ICC 6.09** Please define "excessive" as used on page 8, line 154 of Dr. Rearden's rebuttal testimony.

Response: In the context used on page 8, line 154 of his rebuttal testimony, Dr. Rearden uses the word "excessive" to mean more than the entity that bears the cost is willing to pay.

ICC Person Responsible: David Rearden

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AIC-ICC 6.10 Please admit that Dr. Rearden has not attempted to quantify the costs to AIC or suppliers of a customer "receiv[ing] two separate bills" as referenced on page 8, line 155 of his rebuttal testimony. If your answer is anything other than an unqualified admission please explain.

Please admit that all else equal, the cost to AIC of this recommendation (splitting
accounts) is likely higher than its current practice. If your answer is anything other
than an unqualified admission please explain.

Response: Dr. Rearden agrees he has not attempted to quantify the costs of a customer receiving two separate bills.

All else equal, Dr. Rearden would agree that the costs of split bills to AIC or suppliers are likely higher than its current practice.

ICC Person Responsible: David Rearden

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AIC-ICC 6.11 Regardless of whether the costs are "excessive", please explain who should pay the costs associated with splitting accounts of combination customers in order to provide separate bills for transportation customers. For example, should the cost be borne by all gas customers, all gas transportation customers, the customers who request the splitting, the suppliers who request the splitting, or none of the above? Please explain your reasoning in detail.

Response: In general, in Dr. Rearden's opinion, rate design should attempt to make the cost causer pay the costs of his actions. See Staff Response to AIC-ICC 6.12.

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**AIC-ICC 6.12** Regarding the statement on page 8, lines 154-155 of Mr. Rearden's rebuttal testimony, please provide all evidence relied upon to support the statement or inference that customers, as opposed to suppliers "want a separate bill for gas and electric service from each supplier."

O Please explain why if a customer selects one entity to serve as its billing agent, it is an appropriate expectation that their respective suppliers should be able to send that customer separate bills for gas and electric service.

Response: The statement, in context, is conditional. (See line 153-154) Dr. Rearden has no knowledge of customer preferences for the number of bills, and none was conveyed in testimony.

O Dr. Rearden would clarify that this is not his testimony. If the customer wants one supplier as its billing agent, then that is what should happen. The key point made in the testimony is that the customer should be able to choose in full awareness of the consequences of that choice, with the customer responsible for the costs from making that choice.

ICC Person Responsible: David Rearden

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AIC-ICC 6.13 Please admit that Dr. Rearden is not an expert in utility billing systems.

Response: Staff objects to this data request because the phrase "expert in utility billing systems" is vague and undefined. Without waiving such objection, Dr. Rearden states that he does not have extensive experience with utility billing systems.

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Does Dr. Rearden agree that as a combination utility, it is less expensive for **AIC-ICC 6.14** the company to send one bill to combination customers as opposed to separate bills for each service?

Response: Yes.